

# Nexstim

## Nexstim - Personalized Brain Diagnostics and Therapy

Mikko Karvinen | CEO | Nexstim Plc  
Joonas Juokslahti | CFO | Nexstim Plc  
H1 2023 Financial Results Webinar,  
18 Aug 2023



Nexstim is a Finnish, globally operating growth-oriented medical technology company.



## MISSION

- We enable personalized and effective therapies and diagnostics for challenging brain diseases and disorders.
- Our innovations create a possibility for a better life.



## VISION

- With our technological know-how and superior services,
- we ensure the best treatments for our patients,
- deliver the greatest value for our customer hospitals, clinics and business partners,
- and long-term growth in shareholder value for our investors.



## VALUES

- Science and clinical evidence
- Financial success
- Passion and commitment
- Ethics and responsibility



# Megatrends that Support our Growth

Nexstim's unique proprietary neuronavigated TMS-technology for both diagnostic and therapy applications.

1

## Aging population

- Population aging and a significant decline in the working-age and able population in Western countries
- Brain diseases increase with aging

2

## Technological development in healthcare

- Technological developments and active research enable wider and new applications in the treatment of challenging brain diseases and disorders

3

## Healthcare cost pressures

- The need for more effective and faster rehabilitation





# Our Business and Products

Business	System	Commercial Status	Application	Europe	United States
<b>Diagnostics Business</b>	<b>NBS (Navigated Brain Stimulation)</b>	Over 220 systems sold	Pre-surgical mapping	CE marked	FDA approved
<b>Therapy Business</b>	<b>NBT® (Navigated Brain Therapy)</b>	Over 70 systems incl. therapy software	Depression	CE marked	FDA approved with existing reimbursement
			Chronic pain	CE marked	Additional clinical trials evaluated



- During the first half of 2023, we have especially focused on projects that are crucial for the company's strategic competitive advantage
  - improving the company's cost efficiency through our new global team structures
  - launch of our new NBS 6 system in both the EU and US markets
- We are also continuing discussions on new strategic partnerships to further scale the use of our technology in care
- System sales were EUR 1.1M (2022 H1: EUR 1.8M), a decrease of 37.4%. Recurring net sales accounted for EUR 1.4M (2022 H1: EUR 1.5M), a decrease of 6.4%. Licensing business accounted for EUR 0.0M (2022 H1: EUR 3.5M)
  - Net sales = EUR 2.5M (2022 H1: EUR 6.8M), an decrease of 63.1%
  - Comparable net sales = EUR 2.5M (2022 H1: EUR 3.3M)
  - EBITDA = EUR -1.1M (2022 H1: EUR 2.6M)
  - Result for the period = EUR -1.4M (2022 H1: EUR 2.4M)
- Diagnostics Business (NBS) net sales were EUR 1.3M (2022 H1: EUR 2.1M) with a decrease of 36.0 %
- Therapy Business (NBT®) net sales were EUR 1.2M (2022 H1: EUR 4.7M) with a decrease of 75.2 %. Net sales of the comparative period includes the EUR 3.5M technology license fee recognized during spring 2022.
- The company achieved savings of approximately EUR 0.5 million in operating expenses compared to the comparison period

# H1 2023 Key Financials

EUR in thousands	1-6/2023 6 months	1-6/2022 6 months	Change-%	1-12/2022 12 months
<b>Net Sales</b>	<b>2,503.7</b>	<b>6,793.0</b>	<b>-63,1</b>	<b>9,526.7</b>
Gross margin	1,992.7	6,140.2	-67,5	8,285.9
Gross margin-%	79,6%	90,4%		87,0%
Personnel expenses	-2,265,6	-2,495.4	-9,2	-4,828.8
Other operating expenses	-1,483,8	-1,787.6	-17,0	-3,389.0
<b>Operating profit</b>	<b>-1,387.2</b>	<b>2,333.4</b>		<b>840,3</b>
Result for the review period	-1,442.5	3,209.4		1,306.8
Cash flows from operating activities	-1,355.0	2,414.0		1,002.2
Cash in hand and at banks	2,128.1	6,580.3	-67,7	4,441.3
Total equity	2,711.3	5,593.1	-51,5	4,068.9
Equity ratio (%)	39,0%	54,1%		45,4%

<b>Net Sales</b>	<b>2.5M€ -63%</b>
• Comparable	2.5M€ -23%
• Backlog Dec 31	0.0M€ (1.0M€)

- Focus on cost efficiency**
- Personnel expenses -2.3M€ -9%
  - Other OPEX -1.5M€ -17%
  - **OPEX Savings -0.5M€**
  - Change negotiations and a new global process organisation
  - Digitalization and cost efficiency

- Cash position 2.1M€
- Nexstim not planning new funding rounds at the moment
- After the review period, agreed on a 1.5M€ bank loan with Nordea to fund strategic investments.

Future Outlook: Based on business forecasts, the company expects that its comparable net sales will grow in 2023 and its EBITDA (operating result before depreciations) for the financial year will be positive.

# Nexstim Key Strategic Objectives 2023

1

Profitable comparable net sales growth, leading to a positive EBITDA (operating result before depreciation) for the financial period, while minimizing future capital needs

2

The launch of the new NBS 6 product, enabling easy-to-use systems and the use of future additional modules in the same system

3

Expanding the network of Nexstim exclusive collaboration clinics primarily in the USA and Europe

**Future outlook:** Based on business forecasts, the company expects that its comparable net sales will grow in 2023 and its EBITDA (operating result before depreciations) for the financial year will be positive.



# NBS 6 – future of the Nexstim system

Developing and launching a new product generation is an essential part of Nexstim's work during the 2020-2024 strategy period



- The NBS 6 is a new combined system that has been built on Nexstim's unique, clinically established technology.
- The modular product design allows for an expansion of system capabilities over time.
- The new solution creates long-term value for Nexstim's customers and investors.

## Responding to customer demand

The NBS 6 software has been developed in collaboration with Nexstim's customers, ensuring the best possible level of usability. The new combined system responds to the great customer demand for systems that allow the delivery of both diagnostic and therapeutic applications.



# Thank you!

Follow us on social media:

 @NexstimOyj

 @Nexstim

 @NexstimTMS

This document and the information contained herein are being presented by Nexstim Oyj (“Nexstim” or the “Company”). In connection with any presentation or review of this document, you agree to be bound by the following limitations and notifications.

This document and the information contained herein are being provided to you solely for your information. The distribution of this document in some jurisdictions may be restricted by law and persons into whose possession this document comes are required to inform themselves about and observe any such restrictions. Accordingly, this document may not be distributed in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations.

This document is not a prospectus, and the information contained herein does not and is not intended to constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of any securities in connection with this document in any jurisdiction. This document and the information contained herein are not an offer of securities in the United States and are not for distribution in the United States.

Recipients should not treat the contents of the document as advice relating to legal, taxation or other matters. This presentation does not purport to be all-inclusive or to contain any or all the information that prospective investors may desire in analysing and deciding whether or not to hold or transact in the Company’s shares. Neither the Company nor any of its affiliates or representatives makes any representation or warranty, express or implied, as to the accuracy or completeness of this document or any of the information contained herein, or any other written or oral communication transmitted or made available to the recipient or its affiliates or representatives. The Company and its affiliates or representatives expressly disclaim to the fullest extent permitted by law any and all liability based, in whole or in part, on this document or any information contained herein or any other written or oral communication transmitted or made available to the recipient or its affiliates or representatives, including, without limitation, with respect to errors therein or omissions therefrom.

Recipients should not assume that the information in this document is accurate as of any date

other than the date of this presentation. Nothing contained herein is, or should be relied upon as, a promise or representation as to future performance. The Company does not undertake any obligation to update or revise this this document.

Certain of the information contained herein concerning industry and market data, economic trends, market position and competitiveness is based upon or derived from information provided by third-party consultants and other industry sources. Neither the Company nor any of its affiliates or representatives can guarantee the accuracy of such information or has independently verified the assumptions upon which projections of future trends and performance in such information are based.

Nexstim's NBS System is cleared by the FDA for assessment of the motor and speech cortices for pre-procedural planning. Nexstim markets its NBT<sup>®</sup> system and NBS 6 System in the US for the treatment of Major Depressive Disorder (MDD) following clearance from the FDA for marketing and commercial distribution for this indication. Nexstim's NBT<sup>®</sup> system and NBS 6 System are CE marked in Europe for the treatment of major depression and chronic neuropathic pain.

## FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements that reflect the Company’s current views with respect to certain future events and potential financial performance. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will materialise. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors. To the extent that this document contains opinions, estimates, forecasts or other forward-looking statements, no guarantees or undertakings that these are correct or complete are given by the Company or any of its respective members, advisors, officers or employees or any other person. Forecasts and assumptions which are subject to economic and competitive uncertainty are outside such person’s control and no guarantee can be given that projected results will be achieved or that outcomes will correspond with forecasts. Information in this document may be changed, added to or corrected without advance notification.